

REMARKS

Claims 18-31 and 33-42 stand rejected. Claims 18, 33, 36-39 and 42 are amended. No new matter has been added. The Applicants respectfully request reconsideration in view of the foregoing amendments.

Claim Rejections – 35 U.S.C. 103

Claims 18-20, 22-24, 26, 27, 30, 31 and 33-42 were rejected under 35 U.S.C. § 103(a) as being unpatentable over an online article entitled “Telerate adds GovPX U.S. Treasury Prices and Information,” published on February 8, 1999 by Business Wire (“**Telerate**”) in view of U.S. Patent Application Publication No. 2001/0044767 (“**Madoff**”) and further in view of an online article contributed by John Schott entitled “Subject: Trading – Price Improvement,” last revised on February 26, 1997 at The Investment FAQ web site (“**Schott**”). Claims 21, 25, 28 and 29 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Telerate, Madoff, Schott and in further view of Official Notice. Claims 18-31 and 33-42 were also rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2001/0049651 (“**Selleck**”), U.S. Patent 6,243,691 (“**Fisher**”) and U.S. Patent Application Publication No. 2001/0042033 (“**Sposito**”) and further in view of **Schott**.

Claims 18, 33 and 42 are now amended such that the claimed price improvement process involves steps of, or structure for (i) identifying an offsetting trade relative to a first trade of a selected financial instrument, wherein the offsetting trade is identified within a predefined period of time after execution of the first trade; (ii) determining a price improvement value based on a first price for the first trade of the selected financial instrument and a second price for the offsetting trade of the selected financial instrument; and (iii) applying the price improvement value to at least the first price for the first trade of the selected financial instrument, resulting in an adjusted first price. Claims 36-39 were also amended for proper antecedent basis and clarity. Support for these

amendments can be found at least in FIG. 3 and in the subject specification as originally filed from page 10, line 18 to page 15, line 35. None of the cited references teach, suggest or provide any motivation for to automatically determining and applying a price improvement to an executed trade of a selected financial instrument as recited in claims 18, 33 and 42.

For example, Madoff and Schott both discuss applying a price improvement to orders before execution of a trade. For example, before any execution of trades, Madoff matches buy/sell market orders where the execution price is the mid-point of the spread. (See Madoff, paragraph [0044]). Likewise, before any execution of trades, Schott matches crossing customer orders before transmission to a trading exchange and splits the spread between both customers. (See Schott, paragraphs 5 and 9). Accordingly, neither Madoff nor Schott applies a price improvement process to a trade after its execution, as now recited in claims 18, 33 and 42.

Particular examples of the claimed price improvement process involving an offsetting trade identified *after execution of a first trade* of a selected financial instrument can be found in the subject specification from page 14, line 18 to page 15, line 35. By way of illustration, in one example, “a first customer buys 10 bonds at 99-16. 15 seconds later, a second customer sells 10 at 99-08. The price improvement process takes the average of the two prices, and applies this to the first customer buy and the second customer sell so that each customer receives a price improvement of 1/16 of a point.” (See page 14, lines 20-25). In another example, “a customer buys 10 bonds at 99-08. A trader, 15 seconds, later, buys 10 bonds at 99-08 from the street. In this instance, the system adjusts the customer buy trade to 10 at 99-08. (See page 15, lines 15-17).

None of the other cited references correct the deficiencies of Madoff and Schott. For example, Telerate characterizes Telerate, Inc. as merely a vendor of financial information providing real-time benchmark U.S. Treasury information and price quote from other fixed income markets. (See Telerate generally). Telerate does not relate to determining and/or applying a price improvement value to trades at all.

Selleck discusses an internet-based trading system. However, as acknowledged in the office action mailed April 4, 2009, Selleck also does not discuss automatic price improvement mechanism. (See Abstract and the specification generally).

Fisher et al discuss a system for conducting a multi-person, interactive auction without using a human auctioneer. In particular, Fisher et al discuss an automated pricing mechanism that increases and decreases the price of an item for auction based on the volume of sales for the item over a period of time. (See Abstract; col. 11, lines 10-40 and col. 12, lines 1-30). However, such price increase/decrease is applied only to subsequent purchases of an item. Accordingly, Fisher et al provides no suggestion or motivation to automatically determine and apply a price improvement to an executed trade of a selected financial instrument as recited in claims 18, 33 and 42.

Sposito discusses an automated process for adjusting stop or limit orders for selling a security in the event of increases in security prices and for adjusting stop or limit orders for buying a security in the event of decreases in security prices. (See paragraphs [0029-0034]). However, similar to Fisher et al, such price increase/decrease is applied to subsequent ask or bid prices for a security. Accordingly, Sposito et al provides no suggestion or motivation to automatically determine and apply a price improvement to an executed trade of a selected financial instrument as recited in claims 18, 33 and 42.

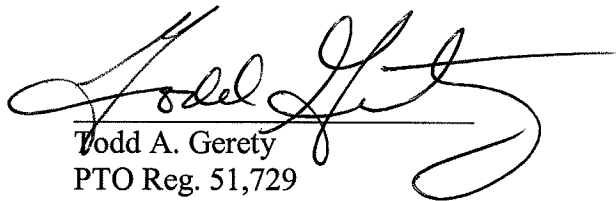
For at least these reasons, claims 18, 33 and 42 are patentable, as they are neither anticipated nor obvious in view of the cited art of record.

Furthermore, by virtue of at least their dependency upon claims 18 and 33 and the additional features recited therein, claims 19-31 and 34-41 are also patentable.

CONCLUSION

In view of the above amendments and remarks, claims 18-31 and 33-42 are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner feels that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

Respectfully submitted,



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